

Holiday Entitlement Increases

The statutory holiday entitlement under the Working Time Regulations 1998 is increasing from 4 weeks to 5.6 weeks. This increase will be phased in two stages. On 1st October 2007, the statutory holiday entitlement increased for all workers from 4 weeks to 4.8 weeks (or 24 days if a worker works a five day week).

The second stage of the implementation will take place on 1st April 2009 when the statutory holiday entitlement will increase to 5.6 weeks (or 28 days if a worker works a five day week). The increase is subject to a statutory maximum of 28 days; therefore, if a worker works a six day week they will still only be entitled to 28 days' statutory holiday and not 34 days.

As many employers already give their staff 20 working days' holiday plus bank and public holidays, the increases may not have a serious effect on businesses

as in practice the employees are already receiving 28 days' holiday (time off for bank and public holidays can be counted against a worker's holiday entitlement). Employers, who already provide 28 days' holiday or more, will be excluded from the new regulations as of 1st October provided they satisfy the following conditions:

- all workers receive 28 days' holiday (pro rated for part-time workers),
- the employer only pays workers in lieu of unused holiday in excess of 28 days (if at all); and
- the employer allows workers to carry over only the additional days into the next holiday year.

All employers should review their contractual documentation and handbooks to take into account the recent developments. Employers will need to notify their staff of any

increases in holiday entitlement within one month of the change. Employers should be aware of contracts that provide for bank holidays in addition to a worker's "statutory minimum entitlement". These workers would be able to claim 28 days' paid leave plus the 8 bank holidays which would not have been the intention. Employers will understandably want a variation of contract to prevent this.

Calculating holiday for part-time workers or those whose leave does not coincide with the changes is likely to be complicated and the DTI have created a "ready reckoner" to assist employers. This can be found at <http://www.dti.gov.uk/employment/holidays/page40455.html>

If you are concerned as to how to manage these changes or any other aspect of employment law the Employment Group at Solnick LLP will be happy to assist.